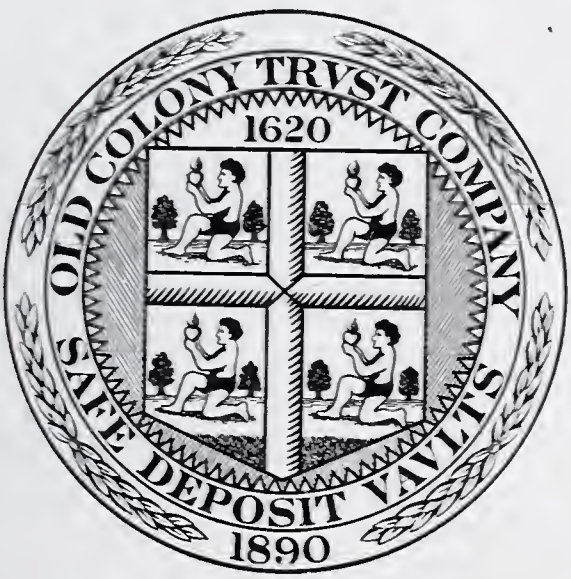
The Management of Trust Property

Old Colony Trust Company

THE MANAGEMENT

OF

TRUST PROPERTY



Old Colony Trust Company.

BOSTON, MASSACHUSETTS

17 COURT STREET 52 TEMPLE PLACE

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THE many inquiries in regard to our facilities for acting in fiduciary capacities have led to the preparation of this pamphlet which we hope will be of interest and assistance to our clients and friends. A summary is included of the laws of descent and distribution of estates and the inheritance tax laws. Our officers will be glad at any time to explain questions that may arise in individual cases.

Old Colony Trust Company

TRUST DEPARTMENT

ORGANIZATION *of the* OLD COLONY TRUST COMPANY *for the* PERFORMANCE *of* FIDUCIARY DUTIES

Protection

Incorporation

THE Old Colony Trust Company was organized in 1890 under the banking laws of the Commonwealth of Massachusetts, which are very stringent and provide for rigid supervision of trust companies incorporated under their provisions.

The Company has capital of $6,000,000, and a surplus of $8,000,000.

Twenty Millions Guarantee

Under Massachusetts law, stockholders of trust companies are liable for assessment up to the par value of their stock holdings. The $6,000,000 capital of the Old Colony Trust Company, therefore, carries with it a stockholders' liability of another $6,000,000. Thus the capital, the surplus and the stockholders' liability amount to $20,000,000, which guarantees absolute protection to all trust beneficiaries.

Supervision of Investments

The Trust Department of the Old Colony Trust Company is under the direct supervision of a special committee—the Trust Committee of the Board of Directors. The members of the Trust Committee

give their personal attention to the general policy of the Trust Department and oversee the investment of all its funds. The advantages thus accruing to beneficiaries are of the greatest importance, for investments so made are more likely to be wisely chosen than those selected by an individual.

The Trust Department

Duties of Trust Department

THE Old Colony Trust Company, through its Trust Department, is authorized to act as administrator and special administrator of estates, executor of wills, trustee under wills, trust declarations, agreements and insurance policies, conservator of the property of aged persons, custodian of property, guardian of estates of minors and of the insane, agent for individuals or for the treasurer of charitable, educational or other institutions or corporations.

Acting as Administrator

When appointed administrator of estates undisposed of by will, the Company collects assets, pays all obligations of the estate, including inheritance taxes, in the manner provided by law, and upon completing this work of administration makes distribution of the remaining property to those entitled to it by law.

Special Administrator

Often when there is delay for any reason in the probate of a will and the appointment of an executor,

it is advisable, for the preservation of the estate and the convenient management of the property, that some responsible fiduciary be authorized to collect the assets, give receipts, or perhaps carry on a going business, or perform other similar duties until such time as an executor or administrator is appointed. The Company is authorized when appointed by the Probate Court to act as special administrator in such cases, filing the inventory and such accounts as the law requires, managing the property under the direction of the Probate Court until duly appointed executor or administrator.

Advantages of Making a Will

SINCE it seldom happens that the distribution provided by law when there is no will meets the wishes of those who are desirous of providing for the settlement of their affairs, a majority of persons execute wills designating their exact preferences as to the disposition of their property and the appointment of managers for their estates. One of the usual functions of the Company is to act under such wills as an executor.

Powers under a Will

By making a will the testator is enabled—

(1) To select those who shall administer his estate instead of leaving the choice entirely to the court.

(2) To give his executors powers of disposition of the property which an administrator does not have, thereby saving delays and expense caused by constant applications to the court for authority to do things which are necessary to settle an estate.

(3) To suggest who should be selected as guardian for children.

(4) To leave property in trust for his wife, children or others, choosing for himself those who are to hold and manage it.

(5) By naming an executor or trustee, to prevent serious delays and remove the danger of family jealousies and disputes.

(6) To save his widow the hardship of having to take up at once property questions and business responsibilities.

In the drawing of wills it should always be remembered that the appointment of the proper executor or trustee is as important and should be as carefully considered as the disposition of the estate.

Acting as Co-executor

While it is better for many reasons to have the Company act alone as executor, there are circumstances where the testator prefers to have an individual also selected; in those cases the Company is usually willing to act as co-executor.

Acting as Executor

In carrying on the function of executor, the Company performs all the duties connected with the

probate of the will, the collection of assets and income, the payment of obligations of the estate, inheritance taxes and other valid liens and attends to the management and distribution of the property as directed by the will.

Various Forms of Trusts

PERFORMANCE of the duties of trustee under instruments of various natures is one of the functions of the Trust Department which commends itself strongly to people who are desirous of setting aside or leaving by will funds to provide an assured income for special objects.

Under life Insurance Policies

When the Company is named as the beneficiary in life insurance policies, a trust deed or will is filed with the Company setting forth the powers and duties as to the management and investment of the trust. This method is commending itself more and more to business men, as it relieves their families from all legal and business cares and responsibilities at a time when they are least fitted to undertake them. The appointment of the Old Colony Trust Company will prevent any opportunity being offered to the speculative promoter and the unscrupulous to reach your estate.

Public Bequests

Recent investigations by state authorities have disclosed the fact that in several municipalities,

funds left for certain specific public purposes have been diverted to other uses, both as regards principal and income. The safest way to insure that your desires regarding any public gift will be carried out, both in spirit and to the letter, is to leave the property either to be held in trust or distributed by the Old Colony Trust Company. You are then certain that your wishes will be respected and that money that you intended to have spent for some particular object will not be used indiscriminately to meet other expenses.

Trusts for Benefit of maker

Frequently, persons wishing to have property held in trust for the benefit of others create such a trust during their lives. A number of advantages are gained by following such a course. The trust may be started with a moderate amount of property and additions made to it from time to time. The maker can be assured of the way his estate will be handled and safeguarded. The right of revocation may be reserved so that the trust can be terminated should the creator so desire. Provision can be made for the payment of the income to the creator during his life, the beneficiaries to receive it thereafter.

Providing a Regular Allowance

There are other instances where clients have relatives dependent upon them or where certain amounts are given to persons or organizations at stated periods, and it is the intention of the individual to have such payments continued after his

death. In such circumstances, a trust can be created that will obviate the necessity of the maker being put to the bother of making these payments, and coupled with this there will be the certainty of their continuance for so long a period as he may determine proper.

Trusts not Subject to Inheritance Tax

Broadly it may be stated that when an absolute trust agreement is drawn operative during the life of the maker and is not "made or intended to take effect in possession or enjoyment after the death of the creator" the property so held is not included among the trusts to which the inheritance tax law applies.

The above statement is a general one, and it should be remembered that it is always wise to consult with the officers of the Old Colony Trust Company in regard to the conditions governing each specific case.

Guardianships

Guardian of Minors, etc.

NOT the least important function of the Trust Department is that of acting under appointment as guardian of minors and of spendthrifts or the insane. The Company acts only as guardian of the estates and not of the persons. The same facilities which make for the efficient management of property intrusted to the company as trustee,

executor or administrator are at hand for the management of property intrusted to it as guardian.

Conservator

Akin to the function of acting as guardian is that of acting as conservator of the property of aged persons or those who through infirmities are incapable to manage their own affairs.

Serving as Agent

IF one's time is spent in travelling or if for any other reason one wishes to be relieved of the care or management of property, the Company is prepared to act as custodian or agent. As agent it assumes the active management of the estate, collects the income and makes disbursements as directed by the client. It also acts as custodian in cases where the property requires less attention. The scope and powers of the Company when acting as such agent or custodian may be regulated by agreement.

Non-residents not Subject to Tax

The Old Colony Trust Company will act as custodian or agent for non-residents, and on such estates no inheritance tax is levied in Massachusetts.

Agent for Treasurers

The Company also acts as agent for the treasurer of charitable, educational and religious institutions, and such an arrangement enables the governing bodies to devote themselves exclusively to the work of their organizations.

Methods of Administration

Securities Segregated

THE securities and trust investments of the Old Colony Trust Company are held distinct and separate from the general assets of the Company. They cannot be mingled with other property of the Company, and the only liabilities against them are the obligations of the individual estates to which they belong. In the Trust Department of the Old Colony Trust Company the securities of the individual estates are held separate from each other even though the law permits investment in a general fund. Occasions frequently arise when a large mortgage can be taken on very favorable terms. When this is done the investment is often divided among various trusts by means of participation certificates, thus allowing the smaller trusts to share in the advantages arising from such an investment.

Auditing

Audit by State Authorities

ONCE every year, at least, the State Bank Commissioner makes a complete audit of the cash, securities and accounts of each individual estate. No notice is given of the time at which this examination is to be made, and the investigation is carried on with the thoroughness which marks the supervision of Massachusetts banking institutions.

Access to Securities

All the securities of the Trust Department are held in safe deposit boxes in the vaults of the Company. These boxes can be opened only by the regularly appointed custodians, two of whom must always be present, and no securities may be taken from the boxes except on the requisition of the Trust Department countersigned by a Vice-President or higher officer.

Stock Registered

The stock certificates held by the Trust Department are registered, when this is practicable, in the name of the Old Colony Trust Company as Trustee and are, therefore, not negotiable until endorsed by the officers of the Company. Any check drawn on trust funds must be signed by two officers of the Company.

Office Audit

The by-laws of the Company provide that another examination shall be made at least once a year by a committee of the stockholders. A certified accountant goes through all the accounts and securities and reports to the Committee, that in turn reports to the stockholders. All the securities are counted, and each bond, stock certificate and mortgage is examined and compared with the ledgers.

Continuous Audit

The Old Colony Trust Company also maintains within its organization auditing experts who examine into the condition of individual trusts from time to time at varying periods and without notice. This maintains what is practically a continuous audit of

the accounts and securities held by the Trust Department.

Complete Protection afforded

All these audits make it impossible for an estate to lose through the misfeasance of the Company or any of its employees and are an important factor in the protection afforded by the Old Colony Trust Company in its fiduciary duties.

Remittances

Remittances of income on trust estates are made as directed by the instrument creating the trust or at such periods as may be agreed upon, and interest is allowed on income that has been collected and is awaiting remittance.

Accountings

Accountings are made to the Probate Court when required, such accounts also being submitted to beneficiaries. Where no accounts have to be filed with the Probate Court the Trust Department will furnish statements regarding the condition of the trust to the beneficiaries at such periods as may be agreed upon. The Company provides the necessary bond for the faithful performance of its duties in all cases where required by law; as for instance, when acting as executor, guardian, or trustee under a will.

In cases where the duty of the Company consists in the collection of income or the making of payments, the system of ledger and calendar accounts makes it practically impossible for a dividend or interest date to pass unnoticed or for a beneficiary to be kept waiting for the payment of income.

Personal Attention

THE argument is sometimes advanced that an individual trustee gives to the beneficiaries the advantage of personal attention that is not accorded by a Trust Company. The fact is that the officers of the Company give more personal attention to beneficiaries than many individual trustees. Furthermore there have been cases where this Company has been requested to act as trustee of an estate in succession to an individual trustee, largely for this very reason.

Advantages of a Corporate Fiduciary

Specialization

IN these pages a few of the more important advantages which accrue to the beneficiaries of estates managed by the Old Colony Trust Company in its fiduciary capacities have been outlined briefly.

The Trust Department gives its undivided time and energy to the management of trusts, both individual and corporate, and to the settlement of estates entrusted to its care. It specializes in this particular line and is unhampered by the outside duties and responsibilities which surround the individual guardian, trustee or executor.

Permanence

The Old Colony Trust Company is a permanent institution with a thoroughly equipped organization and is not dependent upon the services of any one or two men. Its officers are available for consultation by the beneficiaries of the trusts in its care on every business day of the year.

Uncertainty of the Individual Trustee

It should always be remembered that an individual who has consented to act as an executor may be absent or ill either at the time of the death of the testator, or at some critical period during the administration of the trust, a condition that might result in a serious loss to the estate and is certain to be very inconvenient for the beneficiaries.

There is also to be considered the chance of the person named as executor, guardian or trustee dying before the fulfillment of the trust, possibly even before the testator himself. In those circumstances the position might be filled by one whom the testator would never have selected for such a responsible position. With the Company serving in a fiduciary capacity the work of administering an estate is continuous and unhampered, and there is never the danger, always present with an individual, of the trustee dying or becoming incapacitated before the fulfillment of his trust.

Family Influences

An individual acting as trustee for his relatives finds that the restraints imposed upon him by law are misunderstood or misinterpreted by the

beneficiaries. They often expect him to make concessions they would not ask of others and therefore he finds it difficult to keep an even balance between his responsibilities as trustee and his personal desire to accommodate his relatives.

The Old Colony Trust Company, acting in the capacity of trustee, has no reason to be moved to injudicious action towards either the beneficiary or the remainder-man. On the contrary it has every reason to be absolutely just to both.

Selection of Investments

In the matter of investments, the Company acts under the combined judgment of the officers and its Trust Committee, composed of five members elected from the Board of Directors. Each member of this Committee is experienced in matters pertaining to trust investments and management. The result is that the securities which are purchased for the various funds are thoroughly investigated and are not accepted unless in the judgment of the Committee they will maintain properly the safety of the principal and yield a fair return of income. The maker of such a trust can rest assured that his estate will benefit by the careful judgment of a body of able, experienced and responsible men, while with an individual appointee all that is to be expected is the attention of a single executor or trustee.

Opportunities for Profit

The Corporate Trustee, by reason of its extensive holdings, can often buy a large block of securities for its many trusts at a favorable price. This large block is divided among a number of trusts so that the small estates share in the advantages which the large estates enjoy.

Transfers and Taxes

The imposition of inheritance taxes by the various states and the transfer of stock of corporations organized under their respective laws, is a factor that must be considered in handling estates, and a neglect to comply with the law in each state would be quite likely to lead to serious loss, either to the trustee or the beneficiary, or possibly to both.

The Old Colony Trust Company has had wide experience with inheritance tax laws in the various states and it is, therefore, in a position to see that all proper taxes are paid, thus reducing to a minimum the danger to either the estate or beneficiaries from a failure to comply with the laws regarding inheritance and transfer taxes.

Corporate Economies

A Trust Company offers many economies beside those of administration. An individual executor or trustee may be required to give a bond with sureties for the faithful performance of his duties. The charge made by the surety company is a yearly charge during the life of the trust itself paid out of the trust fund and amounts to no inconsiderable

sum. A Trust Company is exempt from giving a surety on its bond, and thus a direct saving is accomplished.

Legal Department

An individual executor or trustee, who is not a lawyer, will be confronted with many complicated questions which he will have to take to counsel for advice. The charges for this must be paid by the estate. The Legal Department of the Old Colony Trust Company, in charge of the Vice-Presidents, and consisting of three members of the Massachusetts Bar, does a large part of the legal work in connection with trusts without charge to the beneficiary. The Company, of course, employs outside counsel, at the expense of the trust, when such a course is thought to be necessary or is asked for by the persons interested.

Guarding Securities

Other economies exist, as in the matter of safeguarding the securities of an estate. The individual executor or trustee finds it necessary to rent a safe deposit box, the rent of which is an additional obligation of the estate. The Company, acting in the same capacities, keeps the securities in its safe deposit vaults without charge.

Incidental Advantages

THE Old Colony Trust Company accords to beneficiaries of trusts that are in its care many advantages other than the mere protection of the principal and certainty of remittance of the income.

To enumerate briefly some of them:—

Letters of Credit

The Banking Department, which is equipped to furnish every service, including the supplying of letters of credit, or drafts for beneficiaries who are about to travel.

Investment Bonds

The Bond Department is always ready to furnish a list of the most carefully selected investment bonds, such as would be suitable for beneficiaries who might wish to reinvest their surplus income.

Safe Deposit Vaults

The Old Colony Trust Company has one of the most complete and best planned systems of safe deposit boxes in New England, and it is sometimes a convenience for beneficiaries to transact their business in the same building in which they can deposit their securities or other valuables for safe keeping.

Charges

Always Reasonable

THE amount of compensation to be given the executors or trustees under wills is subject to the control of the Probate Court. It is impossible to make a fixed standard as the amount of work

varies with different estates. The Court takes into consideration the circumstances in each case and limits all charges to those that are reasonable for the services rendered. This governs a Trust Company as well as the individual trustee. The charges for the services of the Old Colony Trust Company will always be found reasonable and no greater than the compensation of an individual acting in a similar capacity.

OUTLINE *of the* LAW *of* DESCENT *and* DISTRIBUTION *of* INTESTATE PROPERTY *in* MASSACHUSETTS

IN FORCE FEBRUARY 12, 1913

FACTS ABOUT WILLS INHERITANCE TAX

Descent and Distribution

THE purpose of the following outline is to assist in answering questions commonly asked on these subjects by persons considering what will become of their property if they die intestate. It is in no sense an attempt to treat all the exceptions and complicated questions that may arise in this connection.

A.—An unmarried person dying without a will:

The property both real and personal descends and is distributed as follows:—

1. To parents, if living, in equal shares, or the whole to the survivor, if only one is living.

Unmarried Persons; Parents dead.

If both parents are dead, brothers and sisters and any descendants of deceased brothers and sisters divide the property, such descendants being entitled by right of representation to the share which their respective parents would have taken if living.

Brothers and Sisters of Unmarried Persons

If no brothers or sisters are living, the property is divided among the children of the deceased brothers and sisters, the issue of any such children who may have deceased taking according to the right of representation; for example, each nephew and niece takes one share, and the descendants of each deceased nephew and niece take one share by representation of their parents. Similarly in the case of only grand-nephews and grand-nieces, and children of deceased grandnephews and grandnieces.

More Remote Relatives

2. If no relative included in the last section survives, then the estate is divided equally among the nearest living blood relatives; that is, first among grandparents; second, among uncles and aunts; third, among first cousins, and thereafter among more distant relatives,* if any are living.

If no relative survive, the entire estate goes to the Commonwealth.

Relatives of the half blood take equally with those of the full blood.

This division "A" covers also the case of widows or widowers who leave no descendants.

*Of collateral kindred in equal degree, those descended from a nearer common ancestor are preferred to those descended from the more remote ancestor. In determining degrees of kindred the rule is to trace up to the first common ancestor, and then down from such ancestor to the living kindred. Thus it is one step to our father, two to our grandfather, three to the son of our grandfather, who is our uncle, and four to the son of that son, who is our cousin. Thus our uncle is related to us in the third degree; our cousin in the fourth.

B.—A Widow or Widower dying without a Will: *Widow or Widower*

The real and personal estate descend as follows:

1. If no descendants survive, the case is governed by the rules stated in division A.

2. If children survive and there are no descendants of deceased children, the children divide the estate equally.

3. If one or more children and the issue of a deceased child or children survive, the estate is divided one share to each child, and one share to the descendants of each child deceased, such descendants taking the parent's share by representation.*

4. If no children survive but there are descendants of a child or children, such as grandchildren or great-grandchildren, then such descendants will take the estate among them. If there are grandchildren living, they divide the estate equally, the issue of a deceased grandchild sharing as such grandchild would have shared. *No Children Surviving*

If there are only great-grandchildren living, they share equally.

*Whether, in this case, if a deceased child leaves no children but leaves grandchildren by two or more of his deceased children, all such grandchildren take equally or according to their *respective* parents' shares, *quaere*. The same question arises under the second paragraph of *A* 1 above.

Married Man

C.—A Married Man dying without a Will and leaving a Wife and Blood Relatives, but no Issue:

His estate descends as follows:—

1. Of his personal property, $5,000 and one-half the residue goes to his widow in absolute ownership. The remainder of the personal estate is divided among his relatives according to the rules of descent outlined in division A.

2. Of the real estate one-half goes to the widow absolutely.

If the personal property is not sufficient to make up the $5,000 to which the widow is entitled, then, upon petition, enough of the real estate may be sold or mortgaged to make up this amount before any division takes place.

Right of Dower

If she chooses, instead of this one-half interest in the real estate, the widow retains her common-law right of dower and may have set off to her one-third of all the real estate during her life. The exercise of this option does not affect her right to the sum of $5,000 out of the personal property, nor to one-half the residue of the personal property, but whether she may elect to take dower and still claim the right to have real estate sold or mortgaged to make up a deficiency in the personal property, if less than $5,000, *quaere.* The remainder of the real estate, after the widow's share has been taken out,

goes in absolute ownership to the relatives of the deceased husband in the same proportions as the personal estate.

D.—A Married Woman dying without a Will, leaving a Husband, Blood Relatives, but no Issue: *Married Woman*

This case is practically the same as the preceding one, and is governed by the same rules; that is, the husband takes the same interest in the wife's estate, both real and personal, that the wife takes in the estate of her husband.

The husband's optional one-third interest in the real estate corresponding to the wife's dower is called curtesy. This interest is not the same as common-law curtesy, which was abolished by a recent law, except in cases where the right to it existed on January 1, 1902. It must be kept in mind, therefore, in the case of parties married prior to that date, that the husband may have an option to claim common-law curtesy, which is in effect a life interest in all the lands of the wife. But if the husband chooses to claim common-law curtesy, he can have no other interest in either the real or personal property of his wife. Not all the rules and exceptions relating to curtesy can be explained in this space. *Curtesy*

Married Man leaving Wife and Children

E.—A Married Man dying without a Will and leaving a Wife and Issue:

His real estate descends as follows:—

1. Of his real estate his widow may take one-third in absolute ownership, or by election abandon all other rights in his realty and take her common-law dower, that is, an estate for life in one-third of the real estate.

His issue will take by right of representation two-thirds of the real estate absolutely in case the widow chooses the one-third, or if she elects her dower rights, two-thirds absolutely and the residue subject to her life estate, according to the rule above stated for case C.

His personal property is distributed as follows:—

1. His widow takes as her absolute property one-third of his personal property.

2. The remainder of his personal property goes to his issue in the proportions prescribed for real property.

Married Woman leaving Husband and Children

F.—A Married Woman dying without a Will and leaving a Husband and Issue:

This situation is governed by the same rules as in the case of a married man leaving a widow and issue, with the exception that there are more choices

available in the matter of the right of curtesy to a man in the married state January 1, 1902, as referred to in case D.

G.—A Married Man or Woman dying without a Will and leaving a Wife or Husband, but no Issue or Kindred:

The surviving widow or widower takes the whole estate, both real and personal.

Facts about Wills

Right to make Wills

UNDER the laws of Massachusetts, every person of full age (that is, twenty-one years for both male and female) and of sound mind may dispose of his or her property by will in writing.

The making of a will is not a difficult or an expensive matter, and any of its provisions may be changed or cancelled by means of a codicil.

Reasons for making a Will

Some of the many reasons why a person owning property should make a will, are outlined on page 7

Rights of Surviving Husband or Wife

In making a will, a married person should remember that, subject to minor exceptions enumerated in the statutes, the surviving husband or wife at any time within one year after the probate of the will, may waive the benefit of any provisions that may be made in the will, and claim the same portion of the estate of the deceased he or she would have

received if the deceased had died without leaving a will; except that if the deceased left no kindred, the survivor will take only as if the deceased had left kindred but no issue, viz.: $5,000 and one-half the remaining property, real and personal; and except that in any case, if the share taken as above would be more than $10,000, in value of real and personal property, the survivor takes that amount absolutely and the income during life of the excess of such share above $10,000.

Moreover, a widower is not entitled to his tenancy by curtesy, nor a widow to her dower, in addition to the provisions of the deceased wife's, or husband's will unless such plainly appears by the will to have been the intention of the testator.

Revocation by Marriage

It should be borne in mind that the marriage of a person, in general, now acts as a revocation of a will made previous to the marriage, unless it clearly appears from the will that it was made in contemplation of the marriage.

Children not provided for

Moreover, children, or the issue of deceased children, who are not provided for in the will, take the same share of the estate of the decedent they would have taken if he or she had died intestate, unless it appears that they have been provided for during the lifetime of the testator, or that the omission was intentional and not occasioned by accident or mistake. Accordingly, if it is intended

not to provide for any such child, or the issue of deceased children, such intention should be explicitly mentioned in the will.

It will be seen that it is usually advisable to execute a new will after marriage, or after the birth of the first child.

Posthumous children, for whom no provision is made in the will of the father or otherwise, take the same share of the father's estate that they would have taken if the father had died intestate.

In the case of adopted or illegitimate children, counsel always should be consulted.

Inheritance Taxes

NEARLY all of the States of the Union now impose inheritance or succession taxes, and Massachusetts is no exception to the rule.

Tax on Stock Transfers

Owing to the fact that the majority of states tax transfers of stock in corporations organized under their respective laws, when such transfers are made by an executor, administrator or trustee, it is often possible for a tax to be levied in one or more states in addition to the one levied in Massachusetts. In this connection the officers of the Old Colony Trust Company should always be consulted, as it is probable that by properly drawn instruments, the imposition of this double taxation can be prevented.

Massachusetts Law

Briefly, the Massachusetts inheritance tax is imposed on all property in Massachusetts or any interest therein which shall pass to any person, absolutely or in trust, if it is intended to take effect in possession or enjoyment, after the death of the grantor, except in cases of a bonafide purchase for full consideration in money or money's worth. It makes no difference whether the instrument bringing about this result is a will, deed, grant or gift, or whether the property passes by the laws regulating intestate succession.

Non-residents Exempt

The Massachusetts law was changed by the Legislature of 1912 in such a manner that no inheritance tax is levied in Massachusetts on stock of Massachusetts corporations owned by deceased non-residents. This is a change that will benefit Massachusetts testators, as a number of states extend to Massachusetts residents reciprocally the exemptions the Massachusetts laws now give to the citizens of other states.

The Massachusetts inheritance tax is levied in accordance with the following table and is deducted from the gift to each beneficiary, but no tax is allowed to reduce the gift below the amount exempted to such beneficiary.

The tax on a life interest under a trust is paid from the principal instead of the income, unless the instrument creating the trust provides otherwise.

RATE OF SUCCESSION TAX

UNDER ACTS OF 1912, CHAPTER 678

In effect upon the Estates of Persons dying on or after May 29, 1912

BENEFICIARY	VALUE OF SHARE						
	$1,000 or under	Over $1,000 but not over $10,000	Over $10,000 but not over $25,000	Over $25,000 but not over $50,000	Over $50,000 but not over $250,000	Over $250,000 but not over $1,000,000	Over $1,000,000
1. Charitable educational or religious societies or institutions exempt from local taxation; trusts for charitable purposes to be carried out within Massachusetts; city or town in Massachusetts for public purposes	No tax	No tax	No tax	No tax	No tax	No tax	No tax
2. Class A. Husband, wife, father, mother, child, adopted child, adoptive parent	No tax	No tax	1%	1%	2%	3%	4%
3. Class A. Lineal ancestor, except father or mother; lineal descendant, except child; lineal descendant of adopted child; lineal ancestor of adoptive parent; wife or widow of a son; husband of a daughter	No tax	1%	1%	1%	2%	3%	4%
4. Class B. Brother, sister, half brother, half sister, nephew, niece	No tax	2%	3%	5%	6%	7%	8%
5. All others, including stepchildren	No tax	5%	5%	5%	6%	7%	8%

In no event is the tax to reduce the share below the exempted amount.

THE OLD COLONY TRUST COMPANY

has its Trust Department at the Main Office, 17 Court Street. The officers at the Temple Place Branch are, however, always glad to advise with customers and arrange for consultations with the Trust Department officials.